



CHINA OILFIELD SERVICES LIMITED

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2883)

OVERSEAS REGULATORY ANNOUNCEMENT

—FIRST QUARTERLY RESULTS

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The First Quarterly Report for 2019 of the Company is prepared in accordance with PRC Accounting Standards for Business Enterprises and has not been audited.

This announcement is prepared in both Chinese and English. In the event of any discrepancy between the two versions, the Chinese version shall prevail.

26 April 2019

As at the date of this announcement, the executive directors of the Company are Messrs. Qi Meisheng (Chairman) and Cao Shujie; the non-executive directors of the Company are Messrs. Meng Jun and Zhang Wukui; and the independent non-executive directors of the Company are Messrs. Law Hong Ping, Lawrence, Fong Chung, Mark and Wong Kwai Huen, Albert.

Stock code:601808

Stock short name:中海油服

China Oilfield Services Limited

2019 First Quarterly Report

Content

§1. Important Notice	3
§2. Basic Information of the Company	3
§3. Significant Events	8
§4. Appendix	13

1. Important Notice

1.1 The board of directors (the “**Board**”), supervisory committee, and the directors, supervisors and senior management of China Oilfield Services Limited (the “**Company**” or “**Group**”) assure for the truthfulness, accuracy and completeness of the contents of the report, confirm that there are no material omissions and misrepresentations or serious misleading statements in this report and accept joint and several liability.

1.2 All directors of the Company attended the Board meeting for reviewing the report.

1.3 Mr. Qi Meisheng, person in charge of the Company, Mr. Zheng Yonggang, person in charge of the accounting work, and Ms. Chong Xiaojie, person in charge of the accounting office (the accountant in charge), have declared that they assure for the truthfulness, accuracy and completeness of the financial statements in the report.

1.4 The First Quarterly Report of the Company was unaudited.

2. Basic Information of the Company

2.1 Principal Financial Data

Unit: million Yuan Currency: RMB

	As at 31 March 2019	As at 1 January 2019		the increase/decrease at the end of the reporting period compared with the beginning of the period (%)
		After adjusted	Before adjusted	
Total assets	75,972.5	76,157.8	74,687.0	-0.2
Equity attributable to shareholders of the Company	34,507.1	34,524.2	34,529.9	-0.0
	From the beginning of the year to end of the reporting period	From the beginning of last year to end of the reporting period of last year		the increase/decrease in the reporting period compared with the same period of last year (%)
		After adjusted	Before adjusted	
Net cash flow from operating activities	-5.3	-847.9	-847.9	N/A
	From the beginning of the year to end of the reporting period	From the beginning of last year to end of the reporting period of last year		the increase/decrease in the reporting period compared with the same period of last year (%)
		After adjusted	Before adjusted	
Revenue	5,907.8	3,427.9	3,427.9	72.3
Net profit attributable to shareholders of the Company	31.0	-651.1	-651.1	N/A
Net profit excluding non-recurring gain and loss attributable to shareholders of the Company	-47.1	-903.3	-903.3	N/A
Weighted average net assets earnings ratio (%)	0.1	-1.9	-1.9	Increased 2.0 percentage points

Basic earnings per share (Yuan per share)	0.01	-0.14	-0.14	N/A
Diluted earnings per share (Yuan per share)	N/A	N/A	N/A	N/A

Affected by the initial implementation of new leasing standards, the financial data in the table which as at the beginning of the reporting period has been adjusted. “the increase/decrease at the end of the reporting period compared with the beginning of the period (%)” is the results of comparison with the “after adjusted” data.

Non-recurring gain and loss

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Items	Amounts of the period
Gain / loss on disposal and written-off of non-current assets	-9,117,773
Government grants credited to the income statement for the current period, except for those closely relevant to normal business of the company, conformed to requirements of State policy, granted on fixed amount basis or enjoyed on continuous fixed amount basis subject to certain standards	13,546,495
Income from the wealth management products and liquidity funds credited for the current period	69,445,435
Non-operating incomes and expenses other than the above items	16,238,629
Income tax effect	-12,061,118
Total amounts	78,051,668

2.2 Number of shareholders, particulars of shareholding of the top 10 shareholders and particulars of shareholding of the top 10 shareholders not subject to restrictions on sales as at the end of the reporting period

Unit: Share

Total number of shareholders:	65,113					
Particulars of shareholding of the top 10 shareholders						
Name of shareholder (Full name)	Total number of shares held as at the end of the reporting period	Shareholding percentage (%)	Number of shares held subject to restrictions on sales	Shares pledged or locked up		Nature of shareholder
				Condition	Number	
China National Offshore Oil Corporation	2,410,849,300	50.53	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Nominees Limited	1,808,351,728	37.90	0	Nil	0	Others
China Securities Finance Corporation Limited	140,604,876	2.95	0	Nil	0	State-owned legal person
Central Huijin Asset Management Ltd.	29,883,000	0.63	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Limited	6,731,466	0.14	0	Nil	0	Others
Huaxia Life Insurance Co., Ltd. – Proprietary Funds	6,029,424	0.13	0	Nil	0	Others
Qian Rongfu	5,000,000	0.10	0	Nil	0	Others
Ying Jian	3,683,626	0.08	0	Nil	0	Others

Huaxia Life Insurance Co., Ltd. – Universal Insurance Products	3,059,900	0.06	0	Nil	0	Others
Huaxia Life Insurance Co., Ltd. - Dividends - Individual Insurance Dividends	3,020,108	0.06	0	Nil	0	Others
Particulars of shareholding of the top 10 shareholders not subject to restrictions on sales						
Name of shareholder	Shares not subject to restrictions on sales	Type and number of shares				
		Type	Number			
China National Offshore Oil Corporation	2,410,849,300	A Shares	2,410,847,300			
		H Shares	2,000			
Hong Kong Securities Clearing Company Nominees Limited	1,808,351,728	H Shares	1,808,351,728			
China Securities Finance Corporation Limited	140,604,876	A Shares	140,604,876			
Central Huijin Asset Management Ltd.	29,883,000	A Shares	29,883,000			
Hong Kong Securities Clearing Company Limited	6,731,466	A Shares	6,731,466			
Huaxia Life Insurance Co., Ltd. – Proprietary Funds	6,029,424	A Shares	6,029,424			
Qian Rongfu	5,000,000	A Shares	5,000,000			
Ying Jian	3,683,626	A Shares	3,683,626			
Huaxia Life Insurance Co., Ltd. – Universal Insurance Products	3,059,900	A Shares	3,059,900			
Huaxia Life Insurance Co., Ltd. - Dividends - Individual Insurance Dividends	3,020,108	A Shares	3,020,108			
Note of connected relationships or concerted actions of the above shareholders	<p>1. Shares held by Hong Kong Securities Clearing Company (HKSCC) Nominees Limited were the sum of H-shares (by agent) traded in the trading platform of HKSCC Nominees Limited and in the accounts of H-share shareholders (2,000 H shares held by China National Offshore Oil Corporation are not included).</p> <p>2. Shares held by HKSCC Limited were the sum of Shanghai-Hong Kong Stock Connect shares (as nominees) of the Company.</p> <p>3. HKSCC Nominees Limited and HKSCC Limited were all subsidiaries of Hong Kong Exchanges and Clearing Limited. In addition to the above, as to the knowledge of the Company, there were no connected relationships or concerted actions among the above top 10 shareholders, the top 10 shareholders not subject to restrictions on sales or between the above top 10 shareholders and top 10 shareholders not subject to restrictions on sales.</p> <p>4. In “Particulars of shareholding of the top 10 shareholders”, the 2,410,849,300, the “Total number of shares held as at the end of the reporting period” of China National Offshore Oil Corporation, include 2,410,847,300 A shares and 2,000 H shares.</p>					

2.3 Total number of holders of preference shares, top 10 holders of preference shares and top 10 holders of preference shares not subject to restriction on sales as at the end of the reporting period

Applicable Not Applicable

2.4 Operating results review

In the first quarter of 2019, due to the increase in investment in upstream exploration and development, the oilfield service market has slightly recovered but still surrounded by competitive operating environment. The Group continued to enhance refined management and achieve remarkable outcomes in exploring domestic and foreign markets. The workload of jack-up drilling rigs and semi-submersible drilling rigs increased with a double-digit growth in the calendar day utilization rate. The workload of marine support and various business lines of well services segment increased steadily. In the first quarter of 2019, the Group's operating revenue amounted to RMB5,907.8 million, representing an increase of 72.3% as compared with the same period of last year; total profit amounted to RMB168.5 million (and amounted to RMB274.5 million after excluding the effects of exchange loss and gains on disposal of assets), representing an increase of RMB833.4 million as compared with the same period of last year; net profit amounted to RMB38.6 million, representing an increase of RMB682.6 million as compared with the same period of last year.

Drilling Services	For the period ended 31 March 2019	For the period ended 31 March 2018	Change (%)
Operating Days (Day)	3,312	2,275	45.6
Jack-up Drilling Rigs	2,521	1,817	38.7
Semi-submersible Drilling Rigs	791	458	72.7
Utilization Rate (Available Day)	77.4%	61.4%	Increased 16.0 percentage points
Jack-up Drilling Rigs	80.5%	64.3%	Increased 16.2 percentage points
Semi-submersible Drilling Rigs	68.8%	51.9%	Increased 16.9 percentage points
Utilization Rate (Calendar Day)	74.7%	58.8%	Increased 15.9 percentage points
Jack-up Drilling Rigs	77.8%	63.1%	Increased 14.7 percentage points
Semi-submersible Drilling Rigs	66.4%	46.3%	Increased 20.1 percentage points

Marine Support Services (Group Owned Vessels)	For the period ended 31 March 2019	For the period ended 31 March 2018	Change (%)
Operating Days (Day)	7,716	7,319	5.4
Standby vessels	3,351	3,487	-3.9
AHTS vessels	2,469	2,241	10.2
Platform supply vessels	1,215	1,099	10.6
Multi-purpose vessels	323	132	144.7
Workover support barges	358	360	-0.6
Vessel Utilization Rate (Available Day)	97.4%	89.8%	Increased 7.6 percentage points
Standby vessels	98.6%	95.0%	Increased 3.6 percentage points

AHTS vessels	96.5%	89.8%	Increased 6.7 percentage points
Platform supply vessels	97.8%	87.3%	Increased 10.5 percentage points
Multi-purpose vessels	89.7%	36.7%	Increased 53.0 percentage points
Workover support barges	99.4%	100.00%	Decreased 0.6 percentage point

Vessel Utilization Rate (Calendar Day)	95.3%	88.1%	Increased 7.2 percentage points
Standby vessels	95.5%	92.2%	Increased 3.3 percentage points
AHTS vessels	94.6%	87.8%	Increased 6.8 percentage points
Platform supply vessels	96.4%	87.2%	Increased 9.2 percentage points
Multi-purpose vessels	89.7%	36.7%	Increased 53.0 percentage points
Workover support barges	99.4%	100.0%	Decreased 0.6 percentage point

Geophysical Acquisition and Surveying Services	For the period ended 31 March 2019	For the period ended 31 March 2018	Change (%)
2D acquisition (km)	8,086	9,803	-17.5
of which: multi-client	0	9,803	-100.0
3D acquisition (km ²)	5,949	8,364	-28.9
of which: multi-client	1,114	4,312	-74.2
Ocean bottom cable (km ²)	322	6	5,266.7

For the period ended 31 March 2019, the operating days of drilling rigs of the Group amounted to 3,312 days, representing an increase of 1,037 days or 45.6% as compared with the same period last year, among which the operating days of jack-up rigs amounted to 2,521 days, representing an increase of 38.7% as compared with the same period of last year. The operating days of semi-submersible drilling rigs of the Group amounted to 791 days, representing an increase of 72.7% as compared with the same period of last year due to the recovery of the entire market during the period. Meanwhile, the calendar day utilization rate of drilling rigs increased 15.9 percentage points to 74.7% as compared with the same period last year, among which the calendar day utilization rate of jack-up rigs increased 14.7 percentage points to 77.8% as compared with the same period last year, and the calendar day utilization rate of sub-submersible drilling rigs increased 20.1 percentage points to 66.4% as compared with the same period last year.

Five module rigs in Gulf of Mexico operated 360 days, representing an increase of 270 days as compared with the same period last year and the calendar day utilization rate increased 60.0 percentage points.

As for the well services segment, capacities of research and development and productivity were enhanced continuously, which facilitated the expansion of domestic and foreign markets, resulting in an observable rise in the operation volume from certain business lines and a significant increase in total revenue.

For the period ended 31 March 2019, the Group's owned vessels for marine support services of the Group operated 7,716 days, representing an increase of 397 days over the same period of last year and the calendar day utilization rate of vessels increased by 7.2 percentage points to 95.3% and reaching a new high over the recent years. The workload of standby vessels and workover support barges maintained stable. Apart from it, driven by the recovery of the market, the workload and utilization rate of other business lines of the marine support services increased. In the meantime, operation of the Group's chartered vessels sharply increased during the period, which operated 3,301 days, representing an increase of 45.5% as compared with the same period last year.

As for geophysical acquisition and surveying services segment, the workload of ocean bottom cable with higher service unit price was 322 km², reaching a significant increase as compared with the same period last year. In addition, to fulfill the saturated demand from the market in the subsequent period, the Group has promptly adjusted its strategies, changed the working base and carried out maintenance work of the factories, which led to the gradual decrease in the workload of both 2D and 3D acquisition.

3. Significant Events

3.1 Disclosure as to and reasons for, material changes in major accounting items and financial indicators of the Company

Applicable Not Applicable

1. Revenue

For the three months ended 31 March 2019, revenue of the Group amounting to RMB5,907.8 million, representing an increase of RMB2,479.9 million or 72.3% as compared with RMB3,427.9 million from the same period (January-March) of last year. Affected by the recovery of the industry and the increase of investment in upstream exploration, the volume of major operations had certain increase during the period.

2. Operating costs

For the three months ended 31 March 2019, the operating costs of the Group amounting to RMB5,233.6 million, representing an increase of RMB1,645.7 million or 45.9% as compared with RMB3,587.9 million from the same period (January-March) of last year. It was mainly attributable to the certain increase in workload which resulted in the increase of the investment in costs during the period.

3. Selling expense

For the three months ended 31 March 2019, the selling expense of the Group amounting to RMB6.8 million, representing an increase of RMB4.1 million or 151.9% as compared with RMB2.7 million from the same period (January-March) of last year. Affected by the market recovery, the volume of sale business increased and resulted in the increase in selling expense during the period.

4. Assets impairment losses

For the three months ended 31 March 2019, the assets impairment losses of the Group amounted to RMB0.9 million, representing a decrease of RMB1.1 million or 55.0% as compared with RMB2.0 million for the same period (January to March) of last year. It was mainly attributable to the decrease in provision for impairment of inventories for the year.

5. Other income

For the three months ended 31 March 2019, other income of the Group amounted to RMB13.5 million, representing a decrease of RMB5.9 million or 30.4% as compared with RMB19.4 million for the same

period (January to March) of last year. It was mainly attributable to the decrease of government grants related to daily operation of company during the period.

6. Investment income

For the three months ended 31 March 2019, the investment income of the Group amounted to RMB140.6 million, representing an increase of RMB103.4 million or 278.0% as compared with RMB37.2 million for the same period (January to March) of last year, mainly due to the satisfying operation of joint ventures and the increase in income of wealth management products and liquidity funds during the period.

7. Gain on change in fair value

For the three months ended 31 March 2019, the gain on change in fair value of the Group amounted to RMB-21.5 million, representing a decrease of RMB41.0 million or 210.3% as compared with RMB19.5 million for the same period (January to March) of last year, mainly due to the redemption of liquidity funds and expiration of floating wealth management products during the period.

8. Gains and losses on disposal of assets

For the three months ended 31 March 2019, the gains and losses on disposal of assets of the Group amounted to RMB-0.2 million, representing a decrease of RMB220.0 million as compared with RMB219.8 million for the same period (January to March) of last year. It was mainly attributable to the absence of disposal of large-scale equipment during the period.

9. Non-operating income

For the three months ended 31 March 2019, the non-operating income of the Group amounted to RMB11.9 million, representing a decrease of RMB21.6 million or 64.5% as compared with RMB33.5 million for the same period (January to March) of last year. It was mainly attributable to the decrease of insurance proceeds as compared with the same period of last year.

10. Non-operating expenses

For the three months ended 31 March 2019, the non-operating expenses of the Group amounted to RMB4.5 million, representing a decrease of RMB2.8 million or 38.4% as compared with RMB7.3 million for the same period (January to March) of last year. It was mainly attributable to the decrease in compensation for equipment falling well during the period.

11. Income tax expenses

For the three months ended 31 March 2019, the income tax expenses of the Group amounted to RMB129.9 million, representing an increase of RMB97.5 million or 300.4% as compared with RMB32.4 million for the same period (January to March) of last year. It was mainly attributable to the increase in profit of the Company.

12. Financial assets held for trading

As at 31 March 2019, the financial assets held for trading of the Group amounted to RMB600.3 million, representing a decrease of RMB1,149.4 million or 65.7% as compared with RMB1,749.7 million for the beginning of the year. It was mainly attributable to the maturity of wealth management products and the redemption of liquidity funds during the period.

13. Short-term borrowing

As at 31 March 2019, the short-term borrowing of the Group amounted to RMB2,356.7 million, representing an increase of RMB984.1 million or 71.7% as compared with RMB1,372.6 million for the

beginning of the year. It was mainly attributable to the increase of short-term borrowing amounting to USD150 million during the period.

14. Contract liabilities

As at 31 March 2019, the contract liabilities of the Group amounted to RMB219.7 million, representing an increase of RMB65.3 million or 42.3% as compared with RMB154.4 million for the beginning of the year. It was mainly attributable to the mobilization fees received during the period.

15. Taxes payable

As at 31 March 2019, the taxes payable of the Group amounted to RMB536.1 million, representing a decrease of RMB232.0 million or 30.2% as compared with RMB768.1 million for the beginning of the year. It was mainly attributable to the decrease in value-added tax during the period.

16. Other current liabilities

As at 31 March 2019, the other current liabilities of the Group amounted to RMB415.9 million, representing an increase of RMB213.8 million or 105.8% as compared with RMB202.1 million for the beginning of the year. It was mainly attributable to the increase in output value-added tax to be recognized.

17. Long-term borrowings

As at 31 March 2019, the long-term borrowings of the Group amounted to RMB486.2 million, representing a decrease of RMB301.4 million or 38.3% as compared with RMB787.6 million for the beginning of the year. It was mainly attributable to the repayment of principal amounting to USD42 million and long-term borrowings amounting to RMB9 million during the period.

18. Other comprehensive income

As at 31 March 2019, the other comprehensive income of the Group amounted to RMB-198.5 million, representing a decrease of RMB48.0 million as compared with RMB-150.5 million as at the beginning of the year, mainly attributable to fluctuation in foreign exchange rates.

19. Net cash flows from operating activities

For the three months ended 31 March 2019, the Group's net cash outflows from operating activities amounted to RMB5.3 million, representing a decrease in outflows of RMB842.6 million as compared to the same period of last year. This was mainly attributable to the facts that: (1) cash received from labor services and other services increased by RMB1,930.9 million in the period; (2) cash paid for purchasing goods and receiving labor services increased by RMB985.0 million as compared with the same period of last year; and (3) the net outflow from operating activities increased by RMB103.3 million.

20. Net cash flows from investing activities

For the three months ended 31 March 2019, the Group's net cash inflows from investing activities amounted to RMB155.7 million, representing an increase of RMB3,887.2 million compared to the same period of last year. This was mainly due to the facts that: (1) cash received from return on investments during the period increased by RMB1,401.4 million; (2) cash paid for investment decreased by RMB2,977.1 million and cash outflows paid for other investment increased by RMB491.3 million compared to the same period of last year.

21. Net cash flows from financing activities

For the three months ended 31 March 2019, the Group's net cash inflows from financing activities amounted to RMB320.7 million and cash outflows from financing activities amounted to RMB521.3

million for the same period of last year, representing an increase in cash inflows of RMB842.0 million. The main reasons were that: (1) cash received from borrowings during the period increased by RMB1,019.1 million as compared to same period of last year; (2) the cash paid for debts and cash paid for interests during the period increased by RMB177.1 million as compared to the same period of last year.

22. The effect of foreign exchange rate fluctuation on cash and cash equivalents during the period was a decrease in cash of RMB30.4 million.

3.2 Significant events and analysis on their effects and solutions

Applicable Not Applicable

In December 2016, COSL Offshore Management AS (“COM”, a subsidiary of the Company) as a plaintiff filed a Statement of Claim (the “Claim”) against Statoil (Statoil Petroleum AS, hereinafter “Statoil”) with Oslo District Court of Norway (the “Court”) through WIKBORG, REIN & CO. ADVOKATFIRMA DA, an international law firm based in Norway, as litigation agent. COM has claimed that Statoil’s termination of the contract in respect of the drilling rig of COSLInnovator was unlawful and has claimed the contract to be maintained. If the contract cannot be maintained, COM has claimed that Statoil is obliged to cover COM’s loss resulting from the unlawful termination, and the exact amount of damages will be subject to subsequent proceedings. Oslo City Court entered into a judgement on 15 May 2018. The judgement may be appealed by either party within one month following the date of legal notice of the judgement was served. Statoil has changed its corporate name to Equinor Petroleum AS (hereinafter “Equinor”). On 14 June 2018, Equinor appealed to Borgarting Court of Appeal being the relevant appeal court in Norway. On 14 June 2018, COM has subsequently filed an independent appeal concerning the cancellation for convenience, since COM is of the view that the cancellation for convenience is unlawful and COM should accordingly be entitled to damages for the loss suffered.

In January 2017, COM, a subsidiary of the Company as a plaintiff filed a Statement of Claim (the “Claim”) against Statoil with the Court through WIKBORG REIN ADVOKATFIRMA AS, an international law firm based in Norway, as litigation agent. COM is of the view that Statoil shall pay the Claim for cost reimbursement and rate reductions happened in the period of year 2016 in an amount up to the equivalence of US\$15,238,596 incurred as a consequence of the drilling rig of COSLPromoter’s compliance with requirements of Statoil.

For details, please refer to relevant announcements released by the Company on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>), which were named “Announcement of Status of two drilling contracts (Lin 2016-002)” on 7 March 2016, “Announcement of further status of two drilling contracts (Lin 2016-003)” on 21 March 2016, “Announcement of a civil action filed by the company (Lin 2016-043)” on 15 December 2016, “Announcement of a civil action filed by the company (Lin 2017-003)” on 21 January 2017, “Announcement of further development of a civil action filed by the company (Lin 2018-021)” on 16 May 2018 and “Announcement of further development of a civil action filed by the company (Lin 2018-028)” on 16 June 2018.

Save for the above information, the Company is not required to further disclose any information in respect of the above-mentioned significant events as at the date of this report. The Company will continue to monitor the progress of the matter and make timely disclosure.

3.3 Non-performance of undertakings during the reporting period

Applicable Not Applicable

3.4 Profit warning on anticipation of possible loss against accumulated net profit from the beginning of the financial year to the end of the next reporting period or significant changes in profit as compared with that of the corresponding period of last year and the reasons therefore√Applicable Not Applicable

In the first quarter of 2019, demand on the domestic oil exploration and development further grew and the workload of the main business segments of the Company increase significantly. As a result, the Company realized revenue of RMB5.91 billion in the first quarter and net profit of RMB39 million, with operating results showing significant growth as compared with the same period of 2018. It is expected that the Company will maintain relatively abundant workload in the second quarter while continuously enhancing fine management standards and strengthening the control of the growth in variable costs due to the increase in operations and it will continue to strive to achieve better operating performance by implementing diversified measures.

Company Name	China Oilfield Services Limited
Legal Representative	Qi Meisheng
Date	26 April 2019

4. Appendix

4.1 Financial Statements

Consolidated Balance Sheet

31 March 2019

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	31 March 2019	31 December 2018
Current assets:		
Cash on hand and at bank	3,701,827,869	3,339,868,728
Financial assets held for trading	600,349,847	1,749,722,574
Notes receivable and accounts receivable	9,051,785,129	8,248,217,373
Prepayments	115,930,044	127,705,409
Other receivables	262,934,198	262,400,736
Inventories	1,549,407,107	1,379,777,492
Non-current assets due within one year	42,859,155	35,580,599
Other current assets	7,218,903,524	6,565,654,666
Total current assets	22,543,996,873	21,708,927,577
Non-current assets:		
Long-term equity investments	716,340,108	679,162,332
Other non-current financial assets	0	0
Fixed assets	47,918,212,469	49,263,051,870
Construction in progress	1,639,201,651	1,522,838,848
Right-of-use assets	1,637,897,414	N/A
Intangible assets	325,677,561	337,893,585
Development expenditure	117,453,686	92,426,319
Goodwill	0	0
Long-term prepaid expenses	758,267,241	746,125,339
Deferred tax assets	64,613,562	65,869,485
Other non-current assets	250,885,393	270,709,207
Total non-current assets	53,428,549,085	52,978,076,985
Total assets	75,972,545,958	74,687,004,562
Current liabilities:		
Short-term borrowing	2,356,725,000	1,372,640,000
Notes payable and accounts payable	7,302,360,890	8,325,318,464
Employee benefits payable	937,830,346	909,174,212
Taxes payable	536,143,256	768,132,889
Other payables	547,613,419	584,384,953
Contract liabilities	219,729,411	154,410,213
Non-current liabilities due within one year	5,521,475,934	4,694,905,051
Other current liabilities	415,894,680	202,078,181
Total current liabilities	17,837,772,936	17,011,043,963
Non-current liabilities:		

Long-term borrowings	486,152,858	787,630,650
Bonds payable	20,815,238,542	21,069,891,833
Leasing liabilities	1,131,036,943	N/A
Long-term payables	19,827,430	23,633,374
Deferred revenue	484,780,864	522,838,540
Deferred income tax liabilities	259,242,682	286,559,961
Other non-current liabilities	278,984,731	308,000,380
Total non-current liabilities	23,475,264,050	22,998,554,738
Total liabilities	41,313,036,986	40,009,598,701
Shareholders' equity:		
Share capital	4,771,592,000	4,771,592,000
Capital reserve	12,366,274,941	12,366,274,941
Other comprehensive income	-198,494,372	-150,482,062
Statutory reserve funds	2,508,655,961	2,508,655,960
Retained earnings	15,059,075,449	15,033,835,040
Total equity attributable to shareholders of the Company	34,507,103,979	34,529,875,879
Non-controlling interests	152,404,993	147,529,982
Total shareholders' equity	34,659,508,972	34,677,405,861
Total liabilities and shareholders' equity	75,972,545,958	74,687,004,562

Legal representative:	Person in charge of the accounting work:	Person in charge of the accounting office:
Qi Meisheng	Zheng Yonggang	Chong Xiaojie

Company Balance Sheet

31 March 2019

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	31 March 2019	31 December 2018
Current assets:		
Cash on hand and at bank	2,328,983,979	2,065,314,844
Financial assets held for trading	600,349,847	1,749,722,574
Notes receivable and accounts receivable	8,607,564,999	8,116,199,801
Prepayments	60,212,567	73,624,420
Other receivables	688,260,561	1,099,461,009
Inventories	840,405,533	662,034,391
Other current assets	7,198,943,330	6,551,299,926
Total current assets	20,324,720,816	20,317,656,965
Non-current assets:		
Long-term receivables	6,109,120,888	6,137,644,090
Long-term equity investments	8,489,814,564	8,452,636,788
Fixed assets	24,768,772,823	25,181,055,048

Construction in progress	980,046,728	1,034,483,774
Right-of-use assets	1,383,645,766	N/A
Intangible assets	155,134,412	164,019,332
Long-term prepaid expenses	521,899,368	581,760,395
Other non-current assets	49,499,611	50,283,683
Total non-current assets	42,457,934,160	41,601,883,110
Total assets	62,782,654,976	61,919,540,075
Current liabilities:		
Notes payable and accounts payable	6,297,462,278	7,377,891,661
Contract liabilities	152,841,530	128,066,392
Employee benefits payable	839,356,754	783,481,299
Taxes payable	336,693,721	589,081,555
Other payables	933,978,482	794,490,418
Non-current liabilities due within one year	5,495,255,933	4,694,905,051
Other current liabilities	415,425,582	195,741,380
Total current liabilities	14,471,014,280	14,563,657,756
Non-current liabilities:		
Long-term borrowings	486,152,858	787,630,650
Bonds payable	7,394,666,500	7,394,666,500
Leasing liabilities	891,319,366	N/A
Deferred income	340,733,475	355,471,779
Deferred tax liabilities	196,663,896	220,038,606
Total non-current liabilities	9,309,536,095	8,757,807,535
Total liabilities	23,780,550,375	23,321,465,291
Shareholders' equity:		
Share capital	4,771,592,000	4,771,592,000
Capital reserve	12,371,646,371	12,371,646,371
Other comprehensive income	65,187,524	101,515,869
Statutory reserve funds	2,508,655,961	2,508,655,960
Retained earnings	19,285,022,745	18,844,664,584
Total shareholders' equity	39,002,104,601	38,598,074,784
Total liabilities and shareholders' equity	62,782,654,976	61,919,540,075

Legal representative:	Person in charge of the accounting work:	Person in charge of the accounting office:
Qi Meisheng	Zheng Yonggang	Chong Xiaojie

Consolidated Income Statement

January to March, 2019

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	First quarter of 2019	First quarter of 2018
1. Gross Revenue	5,907,777,887	3,427,873,140

Including: Revenue	5,907,777,887	3,427,873,140
2. Total operating costs	5,879,059,225	4,361,556,179
Including: Operating costs	5,233,596,731	3,587,870,623
Taxes and surcharges	4,427,339	5,359,640
Selling expenses	6,823,195	2,738,491
General and administrative expenses	134,484,312	147,464,031
Research and development expenses	117,792,076	106,656,872
Financial expenses	381,054,643	509,504,545
Including: Interest expenses	267,720,592	248,088,853
Interest income	16,628,692	14,164,316
Assets impairment losses	880,929	1,961,977
Add: Other income	13,546,495	19,448,862
Investment income (“-” for loss)	140,616,619	37,232,462
Including: Share of profits of joint ventures	49,670,443	24,544,443
Gain on change in fair value	-21,500,741	19,516,978
Gains and losses on disposal of assets (“-” for loss)	-217,462	219,780,513
3. Operating profit (“-” for loss)	161,163,573	-637,704,224
Add: Non-operating income	11,863,902	33,474,189
Less: Non-operating expenses	4,525,584	7,322,328
4. Total profit (“-” for loss)	168,501,891	-611,552,363
Less: Income tax expenses	129,883,650	32,435,768
5. Net profit (“-” for net loss)	38,618,241	-643,988,131
(I) Classified by continuity of operations		
1. Net profit from continuing operations (“-” for loss)	38,618,241	-643,988,131
2. Net profit from discontinued operations (“-” for loss)	0	0
(II) Classified by ownership of equity		
1. Attributable to shareholders of the Company (“-” for net loss)	30,952,844	-651,134,585
2. Non-controlling interests (“-” for net loss)	7,665,397	7,146,454
6. Other comprehensive income, net of tax	-50,802,695	-201,092,995
Other comprehensive income, net of tax attributable to the shareholders of the Company	-48,012,310	-196,463,134
(I) Other comprehensive income to be reclassified to profit or loss	-48,012,310	-196,463,134
1. Share of other comprehensive income (that will be reclassified to profit or loss subsequently) accounted for using equity method	-2,429,901	-2,739,857
2. Exchange differences on translation of financial statements of foreign operations	-45,582,409	-193,723,277
Other comprehensive income, net of income tax attributable to non-controlling interests	-2,790,385	-4,629,861
7. Total comprehensive income	-12,184,454	-845,081,126
Total comprehensive income attributable to shareholders of the Company	-17,059,466	-847,597,719

Total comprehensive income attributable to non-controlling interests	4,875,012	2,516,593
8. Earnings per share:		
(I) Basic earnings per share (Yuan per share)	0.0065	-0.1365

Legal representative:	Person in charge of the accounting work:	Person in charge of the accounting office:
Qi Meisheng	Zheng Yonggang	Chong Xiaojie

Company Income Statement

January to March, 2019

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	First quarter of 2019	First quarter of 2018
1. Revenue	4,549,404,036	2,751,054,232
Less: Operating costs	3,775,496,784	2,618,079,598
Taxes and surcharges	2,251,832	4,569,144
General and administrative expenses	77,303,339	84,224,644
Research and development expenses	116,358,043	103,931,853
Financial expenses	215,576,552	365,288,421
Including: Interest expenses	116,489,689	116,298,602
Interest income	8,803,868	12,095,574
Asset impairment losses	2,636,542	747,635
Add: Other income	13,546,495	19,381,462
Investment income ("-" for loss)	140,616,619	37,232,462
Including: Share of profits of joint ventures	49,670,443	24,544,443
Gain on change in fair value	-21,500,741	19,516,978
Gains and losses on disposal of assets ("-" for loss)	-217,220	219,780,513
2. Operating profit ("-" for loss)	492,226,097	-129,875,648
Add: Non-operating income	11,785,739	32,809,023
Less: Non-operating expenses	4,521,701	7,002,876
3. Total profit ("-" for loss)	499,490,135	-104,069,501
Less: Income tax expenses	61,776,908	14,721,703
4. Net profit ("-" for net loss)	437,713,227	-118,791,204
(I) Net profit from continuing operations ("-" for loss)	437,713,227	-118,791,204
(II) Net profit from discontinued operations ("-" for loss)	0	0
5. Other comprehensive income, net of income tax	-36,328,345	-63,276,936
(I) Other comprehensive income to be reclassified to profit or loss	-36,328,345	-63,276,936
1. Share of other comprehensive income (that will be reclassified to profit or loss subsequently) accounted for using equity method	-2,429,901	-2,739,857
2. Exchange differences on translation of financial statements of foreign operations	-33,898,444	-60,537,079

6. Other comprehensive income	401,384,882	-182,068,140
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Legal representative:	Person in charge of the accounting work:	Person in charge of the accounting office:
Qi Meisheng	Zheng Yonggang	Chong Xiaojie

Consolidated Cash Flow Statement

January to March, 2019

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	First quarter of 2019	First quarter of 2018
1. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	5,468,709,058	3,537,801,738
Government grants and subsidies received	0	3,065,000
Cash received from tax refund	0	20,960,322
Subtotal of cash inflows from operating activities	5,468,709,058	3,561,827,060
Cash paid for goods and services	3,505,018,200	2,520,002,464
Cash paid to and for employees	1,257,928,257	1,203,820,131
Cash paid for taxes	518,218,358	507,255,547
Cash paid relating to other operating activities	192,848,605	178,673,550
Subtotal of cash outflows from operating activities	5,474,013,420	4,409,751,692
Net cash flows from operating activities	-5,304,362	-847,924,632
2. Cash flows from investing activities:		
Cash received from disposal of investments	4,001,413,895	2,600,000,000
Cash received from return on investments	81,750,080	100,653,264
Cash received on interest income from bank deposits	8,735,623	22,184,248
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	23,400	0
Sub-total of cash inflows from investing activities	4,091,922,998	2,722,837,512
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	636,231,208	177,220,858
Cash paid for other investing activities	3,300,000,000	6,277,118,787
Subtotal of cash outflows from investing activities	3,936,231,208	6,454,339,645
Net cash flows from investing activities	155,691,790	-3,731,502,133
3. Cash flows from financing activities:		
Cash received from procurement of loans	1,019,115,000	0
Subtotal of cash inflows from financing activities	1,019,115,000	0
Cash paid for repayment of borrowings	412,117,446	266,450,900
Cash paid for payment of interest expenses	286,275,718	254,857,036
Subtotal of cash outflows from financing activities	698,393,164	521,307,936

Net cash flows from financing activities	320,721,836	-521,307,936
4. Effect of foreign exchange rate fluctuation on cash and cash equivalents	-30,444,258	-136,106,546
5. Net increase in cash and cash equivalents	440,665,006	-5,236,841,247
Add: Cash and cash equivalents at the beginning of the period	3,168,968,568	9,009,074,192
6. Cash and cash equivalents at the end of the period	3,609,633,574	3,772,232,945

Legal representative:	Person in charge of the accounting work:	Person in charge of the accounting office:
Qi Meisheng	Zheng Yonggang	Chong Xiaojie

Company Cash Flow Statement

January to March, 2019

Prepared by: China Oilfield Services Limited

Unit: Yuan Currency: RMB (Unaudited)

Items	First quarter of 2019	First quarter of 2018
1. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	4,303,141,547	2,697,279,425
Government grants and subsidies received	0	3,065,000
Cash received from tax refund	0	20,960,322
Subtotal of cash inflows from operating activities	4,303,141,547	2,721,304,747
Cash paid for goods and services	2,717,460,446	2,058,099,138
Cash paid to and for employees	993,191,708	953,029,671
Cash paid for taxes	411,870,424	427,704,113
Cash paid relating to other operating activities	99,720,955	107,166,528
Subtotal of cash outflows from operating activities	4,222,243,533	3,545,999,450
Net cash flows from operating activities	80,898,014	-824,694,703
2. Cash flows from investing activities:		
Cash received from disposal of investments	3,927,554,350	2,600,000,000
Cash received from return on investments	81,750,080	100,653,264
Cash received on interest income from bank deposits	6,881,446	8,751,023
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	24,528,718	2,593,634
Cash received from the repayment of borrowings to subsidiaries	1,026,018,000	352,165,692
Sub-total of cash inflows from investing activities	5,066,732,594	3,064,163,613
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	508,739,762	146,341,566
Cash paid for other investing activities	3,300,000,000	6,033,390,000
Cash paid for the borrowings to subsidiaries	635,619,888	222,656,731
Subtotal of cash outflows from investing activities	4,444,359,650	6,402,388,297

Net cash flows from investing activities	622,372,944	-3,338,224,684
3. Cash flows from financing activities:		
Cash paid for repayment of borrowings	409,488,221	266,450,900
Cash paid for payment of interest expenses	24,756,209	14,697,183
Cash paid relating to other financing activities	596,699	102,684
Subtotal of cash outflows from financing activities	434,841,129	281,250,767
Net cash flows from financing activities	-434,841,129	-281,250,767
4. Effect of foreign exchange rate fluctuation on cash and cash equivalents	-4,473,193	-84,824,646
5. Net increase in cash and cash equivalents	263,956,636	-4,528,994,800
Add: Cash and cash equivalents at the beginning of the period	1,992,837,825	7,473,515,861
6. Cash and cash equivalents at the end of the period	2,256,794,461	2,944,521,061

Legal representative:	Person in charge of the accounting work:	Person in charge of the accounting office:
Qi Meisheng	Zheng Yonggang	Chong Xiaojie

4.2 The initial implementation of new financial instruments standards, new revenue standards or new leasing standards adjustment to the relevant items of the opening financial statements of the current year

Applicable Not Applicable

Consolidated Balance Sheet

Unit: Yuan Currency: RMB

Items	31 December 2018	1 January 2019	Adjustment
Current assets:			
Cash on hand and at bank	3,339,868,728	3,339,868,728	0
Financial assets held for trading	1,749,722,574	1,749,722,574	0
Notes receivable and accounts receivable	8,248,217,373	8,248,217,373	0
Prepayments	127,705,409	119,165,542	-8,539,867
Other receivables	262,400,736	262,400,736	0
Inventories	1,379,777,492	1,378,178,245	-1,599,247
Non-current assets due within one year	35,580,599	35,580,599	0
Other current assets	6,565,654,666	6,565,654,666	0
Total current assets	21,708,927,577	21,698,788,463	-10,139,114
Non-current assets:			
Long-term equity investments	679,162,332	679,162,332	0
Other non-current financial assets	0	0	0
Fixed assets	49,263,051,870	49,263,051,870	0
Construction in progress	1,522,838,848	1,522,838,848	0
Right-of-use assets	N/A	1,480,884,837	1,480,884,837
Intangible assets	337,893,585	337,893,585	0
Development expenditure	92,426,319	92,426,319	0

Goodwill	0	0	0
Long-term prepaid expenses	746,125,339	746,125,339	0
Deferred tax assets	65,869,485	65,917,736	48,251
Other non-current assets	270,709,207	270,709,207	0
Total non-current assets	52,978,076,985	54,459,010,073	1,480,933,088
Total assets	74,687,004,562	76,157,798,536	1,470,793,974
Current liabilities:			
Short-term borrowing	1,372,640,000	1,372,640,000	0
Notes payable and accounts payable	8,325,318,464	8,000,243,033	-325,075,431
Employee benefits payable	909,174,212	909,174,212	0
Taxes payable	768,132,889	768,132,889	0
Other payables	584,384,953	584,384,953	0
Contract liabilities	154,410,213	154,410,213	0
Non-current liabilities due within one year	4,694,905,051	5,407,112,598	712,207,547
Other current liabilities	202,078,181	202,078,181	0
Total Current liabilities	17,011,043,963	17,398,176,079	387,132,116
Non-current liabilities:			
Long-term borrowings	787,630,650	787,630,650	0
Bonds payable	21,069,891,833	21,069,891,833	0
Leasing liabilities	N/A	1,088,795,411	1,088,795,411
Long-term payables	23,633,374	23,633,374	0
Deferred income	522,838,540	522,838,540	0
Deferred tax liabilities	286,559,961	287,138,843	578,882
Other non-current liabilities	308,000,380	308,000,380	0
Total non-current liabilities	22,998,554,738	24,087,929,031	1,089,374,293
Total liabilities	40,009,598,701	41,486,105,110	1,476,506,409
Shareholders' equity:			
Share capital	4,771,592,000	4,771,592,000	0
Capital reserve	12,366,274,941	12,366,274,941	0
Other comprehensive income	-150,482,062	-150,482,062	0
Statutory reserve funds	2,508,655,960	2,508,655,960	0
Retained earnings	15,033,835,040	15,028,122,605	-5,712,435
Total equity attributable to shareholders of the Company	34,529,875,879	34,524,163,444	-5,712,435
Non-controlling interests	147,529,982	147,529,982	0
Total shareholders' equity	34,677,405,861	34,671,693,426	-5,712,435
Total liabilities and shareholders' equity	74,687,004,562	76,157,798,536	1,470,793,974

Company Balance Sheet

Unit: Yuan Currency: RMB

Items	31 December 2018	1 January 2019	Adjustment
Current assets:			

Cash on hand and at bank	2,065,314,844	2,065,314,844	0
Financial assets held for trading	1,749,722,574	1,749,722,574	0
Notes receivable and accounts receivable	8,116,199,801	8,116,199,801	0
Prepayments	73,624,420	65,933,141	-7,691,279
Other receivables	1,099,461,009	1,099,461,009	0
Inventories	662,034,391	660,435,145	-1,599,246
Other current assets	6,551,299,926	6,551,299,926	0
Total current assets	20,317,656,965	20,308,366,440	-9,290,525
Non-current assets:			
Long-term receivables	6,137,644,090	6,137,644,090	0
Long-term equity investments	8,452,636,788	8,452,636,788	0
Fixed assets	25,181,055,048	25,181,055,048	0
Construction in progress	1,034,483,774	1,034,483,774	0
Right-of-use assets	N/A	1,383,927,715	1,383,927,715
Intangible assets	164,019,332	164,019,332	0
Long-term prepaid expenses	581,760,395	581,760,395	0
Other non-current assets	50,283,683	50,283,683	0
Total non-current assets	41,601,883,110	42,985,810,825	1,383,927,715
Total assets	61,919,540,075	63,294,177,265	1,374,637,190
Current liabilities:			
Notes payable and accounts payable	7,377,891,661	7,052,983,314	-324,908,347
Contract liabilities	128,066,392	128,066,392	0
Employee benefits payable	783,481,299	783,481,299	0
Taxes payable	589,081,555	589,081,555	0
Other payables	794,490,418	794,490,418	0
Non-current liabilities due within one year	4,694,905,051	5,396,906,028	702,000,977
Other current liabilities	195,741,380	195,741,380	0
Total current liabilities	14,563,657,756	14,940,750,386	377,092,630
Non-current liabilities:			
Long-term borrowings	787,630,650	787,630,650	0
Bonds payable	7,394,666,500	7,394,666,500	0
Leasing liabilities	N/A	994,432,873	994,432,873
Deferred income	355,471,779	355,471,779	0
Deferred tax liabilities	220,038,606	220,505,359	466,753
Total non-current liabilities	8,757,807,535	9,752,707,161	994,899,626
Total liabilities	23,321,465,291	24,693,457,547	1,371,992,256
Shareholders' equity:			
Share capital	4,771,592,000	4,771,592,000	0
Capital reserve	12,371,646,371	12,371,646,371	0
Other comprehensive income	101,515,869	101,515,869	0
Statutory reserve funds	2,508,655,960	2,508,655,960	0

Retained earnings	18,844,664,584	18,847,309,518	2,644,934
Total shareholders' equity	38,598,074,784	38,600,719,718	2,644,934
Total liabilities and shareholders' equity	61,919,540,075	63,294,177,265	1,374,637,190

4.3 Description of the initial implementation of new financial instruments standards or new leasing standards retrospective adjustment to the comparative figures of the previous period

Applicable Not Applicable

4.4 Audit Report

Applicable Not Applicable